

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 19658 221120Z

ACTION EA-12

INFO OCT-01 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15 STR-05
ITC-01 TRSE-00 PRS-01 SP-02 SOE-01 OMB-01 DOE-12
NSCE-00 SSO-00 USIE-00 INRE-00 DOEE-00 /089 W
-----124353 221127Z /17

O R 221025Z DEC 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 3790

INFO AMEMBASSY SEOUL

COMUSJAPAN YOKOTA

CINCPAC HONOLULU

LIMITED OFFICIAL USE TOKYO 19658

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: PINT, ETRD, JA

SUBJECT: DIET HEARS TRADE DISPUTE TESTIMONY, RECESSES

SUMMARY: IN UPPER HOUSE BUDGET COMMITTEE DEC. 21, GOJ
MINISTERS WERE QUESTIONED CLOSELY ON U.S. TRADE DEMANDS
AND, FOR MOST PART, RESPONDED CAUTIOUSLY. (IN RELATED
DEVELOPMENT, 100 LDP DIETMEN RESOLVED TO OPPOSE FURTHER
LIBERALIZATION OF BEEF IMPORTS.) FULL DIET, AFTER
PASSING CIVIL SERVICE PAY HIKES AND SELF-DEFENSE FORCE-
RELATED BILLS AS EXPECTED, RECESSED UNTIL LATE JANUARY.
END SUMMARY.

1. DIET PASSED DECEMBER 21 PAY HIKE AND SELF-DEFENSE
FORCE RELATED BILLS AS EXPECTED AND RECESSED UNTIL LATE
JAN.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 19658 221120Z

2. EARLIER SAME DAY UPPER HOUSE BUDGET COMMITTEE HEARD
TESTIMONY ON EXTERNAL ECONOMIC AFFAIRS FROM MINISTER
USHIBA, AGRICULTURE AND FORESTRY MINISTER NAKAGAWA,
MITI MINISTER KOMOTO, AND CONSTRUCTION MINISTER SAKURAUCHI.
IN HIS OPENING REMARKS, USHIBA TOLD GROUP THAT AMERICA'S
CONCERN ABOUT JAPAN WAS MUCH STRONGER THAN HE HAD EXPECTED,
AND THAT UNLESS TRADE MATTERS WERE QUICKLY RESOLVED

THERE WAS DANGER OF DISPUTE SPILLING OVER INTO OTHER AREAS OF US-JAPAN RELATIONSHIP. RESPONDING TO QUESTIONS, USHIBA SAID FY 78 GROWTH RATE WAS NOT SPECIFICALLY PROMISED TO AMERICA, BUT RATHER WAS JAPAN'S OWN DECISION, WHICH HAD BEEN PUBLICIZED TO WORLD. AS SUCH, USHIBA CONTINUED, IT WOULD BE WATCHED CLOSELY BY AMERICA, OECD AND OTHERS, AND HAD TO BE TAKEN VERY SERIOUSLY.

3. NAKAGAWA, ASKED WHETHER US WAS DEMANDING GOJ IMPORT OF 10,000 TONS OF HOTEL BEEF, REPLIED THAT HE WAS NOT SURE OF FIGURE, BUT DOMESTIC DEMAND FOR HOTEL BEEF WAS ONLY 4,000 TONS AND THEREFORE 10,000 COULD NOT BE ACCOMMODATED. ASKED WHETHER THE US WAS DEMANDING JAPANESE IMPORTS OF ORANGES AND ORANGE JUICE WORTH \$60 MILLION, NAKAGAWA REPLIED THAT WOULD BE ENORMOUS BURDEN FOR MANDARIN-ORANGE (MIKAN) PRODUCERS, ALREADY SUFFERING FROM THIS YEAR'S ABNORMALLY LOW SALES PRICES.

4. AS FOR CURRENT YEN/DOLLAR RATE, KOMOTO SAID YEN WAS PRESENTLY ABOVE ITS ACTUAL STRENGTH AND EXPRESSED HOPE IT WOULD RETURN TO APPROPRIATE LEVEL; USHIBA ADDED IT WAS HIS IMPRESSION THAT INFORMED US OFFICIALS BELIEVED YEN HAD ALREADY APPRECIATED ADEQUATELY. KOMOTO ADDED THAT ACCORDING TO RECENT MITI SURVEYS, THERE WERE ONLY TWO OR THREE INDUSTRIES WHICH COULD MANAGE AT RATE OF 240 YEN TO ONE DOLLAR. AS TO TARIFF REDUCTIONS, USHIBA SAID USG LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 19658 221120Z

HOPED COLOR FILM RATE WOULD BE DROPPED TO THAT OF US, THAT COMPUTER RATE COULD BE LOWERED SOMEWHAT, AND, WHILE APPRECIATIVE OF ELIMINATION OF AUTO TARIFF, US HOPED DISTRIBUTION SYSTEM COULD BE SIMPLIFIED. SEVERAL COMMITTEE MEMBERS ASKED WHY YEN IMPORT SAVINGS WERE NOT BEING PASSED ON TO CONSUMERS AND EXPRESSED DOUBTS ABOUT JAPAN'S ACHIEVING SEVEN PERCENT REAL GROWTH IN FY 78.

5. IN RELATED DEVELOPMENT DEC. 20, SOME 100 LDP DIETMEN SUPPORTIVE OF DOMESTIC BEEF INDUSTRY QUESTIONED USHIBA AT LENGTH. AFTER USHIBA SAID IT WOULD BE DIFFICULT TO RESOLVE CURRENT TRADE DISPUTE WITHOUT FURTHER AGRICULTURAL CONCESSIONS, LAW MAKERS SAID THEY COULD NOT UNDERSTAND WHY US, WHICH ITSELF IMPORTED BEEF, DEMANDED JAPANESE IMPORTS AND STRESSED THAT ANY INCREASE IN BEEF AND ORANGE IMPORTS COULD RUIN DOMESTIC PRODUCERS. USHIBA REPLIED THAT US OFFICIALS REALIZED INCREASED AGRICULTURAL LIBERALIZATION WOULD NOT AFFECT SIGNIFICANTLY JAPAN'S CURRENT ACCOUNT SURPLUS AND UNDERSTOOD NEED FOR PROTECTIVE JAPANESE AGRICULTURAL POLICY, BUT FELT THEY HAD TO RESPOND TO PRESSURE OF US AGRICULTURAL PRODUCERS. IN CONCLUSION GROUP PASSED RESOLUTION OPPOSING ANY

FURTHER EXPANSION OF BEEF IMPORTS BEYOND 2,000 TONS GOJ HAS
ALREADY PROPOSED.
MANSFIELD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, DISPUTES, BUDGETS, UPPER HOUSE, COMMITTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO19658
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770477-0774
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771224/aaaaaucw.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e9cdcafd-c188-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 143061
Secure: OPEN
Status: NATIVE
Subject: DIET HEARS TRADE DISPUTE TESTIMONY, RECESSES SUMMARY: IN UPPER HOUSE BUDGET COMMITTEE DEC. 21, GOJ
MINISTERS WERE QUESTIONED CLOSELY ON U.S. TRADE DE
TAGS: PINT, ETRD, JA
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/e9cdcafd-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009